M/045/0049
cc: Leslie
Tom 0008

TRANSMITTAL

STATE OF UTAH

DIVISION OF WATER QUALITY
DEPARTMENT OF ENVIRONMENTAL QUALITY
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FAX #: 801 359 3940	**DATE:** 12-8-09
TO: Tom Munson	**FROM:** Mark Novak
PHONE #:	**PHONE #:**

No. of pages including cover sheet 2	
✓ **For your information**	
For your action	
Per our conversation	
Per your/our correspondence dated:	

MESSAGE:

RECEIVED
DEC 08 2009
DIV. OF OIL, GAS & MINING

November 12, 2009

To: Utah Ground Water --Rob Herbert

From: Desert Hawk Gold Corp.-- Rick Havenstrite

Subject: Cactus Mill—Permit by Rule

Desert Hawk Gold Corp. is attempting to prove the viability of a complex Cu/Au district. The Cactus Mill pad/process is a short term part of the overall scheme. Mitigating factors which we would appreciate consideration for a permit by rule include the following— 10,000 tons total

1) Extremely poor ground water as shown both by our testing and *your* testing 2 years ago. Extra-ordinarily high TDS and metals content- the water is terrible by any measure. As 15ppb
2) Pilot Project---Short duration of project. Some of the ores will require 1-2 years to fully leach but the pad life expected to be less than 3 years.
3) The pad is on the west edge of the West Desert and Hill Air Force Base—neither an oasis—enough said
4) High design standard. We intend to install a high quality composite clay and plastic liner
5) We intend to install an easy-- reliable leak detection system which will flow into open troughs in the event of a leak.
6) There will be virtually no hydrostatic head on the HDPE liner—no more than 3 PSI
7) As demonstrated by supplied ore characterization—there is no acid generation potential
8) The pad is essentially a small vat leach—there is no potential of solutions cresting and breaching as there will typically be 8' of freeboard in a the small closed system
9) Though our system will use sulfuric acid, the ore, the sub-surface rock and alluvium, and the ground water are *highly* alkaline and capable of neutralizing tremendous quantities of acid just to reach neutralization. It is not the intention of the project to spill or leak the process solutions -- but every farmer, in the Great Basin, trying to farm these alkaline soils, intentionally produce and apply sulfuric acid in the attempt to grow crops in these soils.
10) Finally, we are in the process of cleaning up a site which has been an eyesore for a generation+ and combine this with a process which poses no risk to the alkaline water/soils.

Rick Havenstrite P.E.

Desert Hawk Gold Corp.